

Jeffrey N. Pomerantz (*pro hac vice*)
Phone: 310.277.6910
Email: jpomerantz@pszjlaw.com

Jason H. Rosell (*pro hac vice*)
Phone: 415.263.7000
Email: jrosell@pszjlaw.com

PACHULSKI STANG ZIEHL & JONES LLP
10100 Santa Monica Blvd., 13th Floor
Los Angeles, CA 90067

Justin D. Leonard, OSB 033736
Timothy A. Solomon, OSB 072573
Direct: 971.634.0194
Email: tsolomon@LLG-LLC.com

LEONARD LAW GROUP LLC
1 SW Columbia, Ste. 1010
Portland, Oregon 97204

Proposed Attorneys for Official Committee of Unsecured Creditors

UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF OREGON

In re

Wall to Wall Tile & Stone, LLC,
Wall to Wall Tile & Stone - Oregon LLC,
Wall to Wall Tile & Stone - Idaho LLC,

Joint Debtors.

Lead Case No. 19-32600-dwh11
(Jointly Administered with Case Nos.
19-32599-dwh11 and 19-32603-dwh11)

**APPLICATION TO EMPLOY ARCH &
BEAM GLOBAL, LLC AS FINANCIAL
ADVISOR FOR THE UNSECURED
CREDITORS COMMITTEE, AND
NOTICE THEREON**

NOTICE OF APPLICATION

If you oppose the proposed course of action or relief sought in this application, you must file a written objection with the bankruptcy court no later than September 4, 2019.

If you do not file an objection, the court may grant the motion without further notice or hearing. Your objection must set forth the specific grounds for objection and your relation to the case. The objection must be received by the clerk of court at 1050 SW 6th Ave #700, Portland, OR 97204, by the deadline specified above or it may not be considered. You must also serve the objection on movant's counsel, Leonard Law Group, LLC, Attn: Timothy A. Solomon, 1 SW Columbia Suite #1010, Portland, OR 97204, within that same time. If the court sets a hearing, you will receive a separate notice listing the hearing date, time, and other relevant information.

The Official Committee of Unsecured Creditors (the “**Committee**”), by and through its Chair, Cosmos Granite (West), LLC, hereby moves this Court for authority to employ Arch & Beam Global, LLC (“**Arch + Beam**”) as financial advisor to the Committee, and represents as follows:

1. On July 16, 2019, Wall to Wall Tile & Stone, LLC (the “**Lead Debtor**”), along with Wall to Wall Tile & Stone – Oregon LLC, and Wall to Wall Tile & Stone - Idaho LLC (together with the Lead Debtor, the “**Joint Debtors**”) each filed voluntary petitions under chapter 11 of title 11 of the United States Code.

2. On July 18, 2019, the Court entered an Order directing the joint administration of the Joint Debtors’ cases, as captioned above.

3. On July 26, 2019, the Office of the United States Trustee appointed the Committee among those creditors holding the largest unsecured claims and willing to serve in a fiduciary capacity. The creditor Cosmos Granite (West), LLC, by and through its General Counsel Jaishri Nallapaty, was appointed Chair of the Committee. The Committee also consists of C&C North America, Inc. dba Cosentino North America, by and through its general counsel Giselle Maranges; and Fortuna Granitos Corp., by and through Rogerio Baumgarten. Creditors may refer to the First Amended Appointment (Docket No. 56; also available upon request from the undersigned counsel) for the Committee’s contact information.

4. The Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. Venue is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2).

5. The Committee desires to employ Arch + Beam as its financial advisor effective as of August 7, 2019 to assist it in connection with performance of its duties, functions, and obligations, including but not limited to the following tasks:

a) Analyzing the Debtors’ financial statements and condition;

- b) Analyzing and challenging the budgets and projects developed by the Debtors' management in these cases;
- c) Analyzing the proposed DIP loan and any other sources of financing for the Debtors in these cases;
- d) Advising the Committee on the foregoing issues, and developing appropriate strategies in conjunction with the Committee and its legal counsel; and
- e) Analyzing and advising the Committee regarding various go-forward approaches, including Plans of Reorganization and/or asset sales through the bankruptcy process.

6. The Committee has selected Arch + Beam based on the firm's extensive experience, including in the bankruptcy context. Arch + Beam's professionals are skilled in evaluating the finances of distressed companies and developing strategies to maximize the return to creditors, and in analyzing DIP financing and other types of financing in the business reorganization context. Arch + Beam's professionals have advised debtors and creditor groups in reorganization matters, including developing and implementing Plans of Reorganization and Liquidation, 363 sales and helping to understand the DIP financing market, both through other recent cases and through the experience of the firm's Senior Managing Director, Howard Bailey, who managed the Western region for GE Capital's Restructuring/DIP financing group. Arch + Beam is experienced in performing operational and financial analysis of cash flow forecasts, financial statements, bankruptcy reports, and various agreements in the restructuring context, such those governing DIP loans, bid procedures, plans of reorganization, and MORs.

7. Arch + Beam's professionals also have significant experience in manufacturing, construction and installation. Matthew English, as the lead on this engagement, is a Senior Managing Director at Arch + Beam and is an experienced strategy, operations and turnaround consultant. Mr. English has over 26 years of experience as an advisor and officer of

public and private companies, including multiple companies involved in manufacturing, construction and installation.

8. Last year, Mr. English was Chief Restructuring Officer of a public company in a Delaware chapter 11 case, and in the last eight years has held interim officer roles and has been a Federal Receiver, Plan Administrator and Assignee for seven other companies (including bankruptcy cases in the Northern and Eastern Districts of California). In addition, over the past five years, Mr. English has been the debtor Financial Advisor for three chapter 11 cases, creditors' committee Financial Advisor for three other chapter 11 cases and prepared three other companies for bankruptcy filings (including cases in Delaware and Northern & Eastern Districts of California).

9. As a firm, Arch + Beam has advised 71 different clients over the past five years and has been involved in over 25 engagements where the sale of operating businesses assets were part of the restructuring strategy, both in and out of bankruptcy. Mr. Bailey and Mr. English are Certified Turnaround Professionals (Turnaround Management Association) and Mr. English is also a Certified Insolvency and Restructuring Advisor (Association of Insolvency and Restructuring Advisors).

10. As a consequence of the foregoing, the Committee believes that Arch + Beam is well-qualified to act as the Committee's financial advisors Debtors' bankruptcy cases.

11. Arch + Beam's invoices will be billed to the estate for payment as an administrative expense under sections 503(b) and 507(a)(1) of the Bankruptcy Code. No other arrangement or agreement exists between the Committee and Arch + Beam with respect to the payment of Arch + Beam's fees or expenses in this case. The Committee, however, reserves the right to seek a "carve-out," the payment of a retainer, and/or the establishment of a special fund for payment of Arch + Beam's fees and expenses.

12. The Committee has agreed that Arch + Beam will be compensated for its services on a discounted basis. Arch + Beam's ordinary 2019 hourly rates are:

* Senior Managing Director	\$550
* Managing Director	\$395
* Director	\$345
* Senior Associate	\$295
* Staff & Administration	\$75-125

For this engagement, Arch + Beam has agreed to a 5% discount on the hourly billing rates set forth above. Arch + Beam charges out of pocket travel and expenses at cost.

13. In connection with the proposed retention of Arch + Beam by the Committee, Arch + Beam performed an internal conflicts search to ensure that Arch + Beam does not have a conflict of interest that would prohibit it from representing the Committee in this matter. Specifically, Arch + Beam has researched its client database to determine whether it had any relationship with the Debtors, the proposed DIP lender (Baffco), the Debtors' senior secured lender (Wells Fargo), the Debtors' List of Equity Security Holders, creditors on the Debtors' List of Creditors Holding 20 Largest Unsecured Claims, and creditors with claims of \$5,000 or over on the Debtors' Schedules D, E and F. As Arch + Beam becomes aware of new parties-in-interest being involved in these cases, Arch + Beam will file supplemental declarations as needed to update the disclosures made herein.

14. To the best of Arch + Beam's knowledge, information and belief, and other than as set forth in the English Declaration and below, Arch + Beam has no interest materially adverse to (a) the interest of the Debtors' estates, (b) the Committee, or (c) of any class of the Debtors' creditors, either by reason of any direct or indirect relationship to, or connection with, the Debtors or for any other reason. The attached Rule 2014 Verified Statement sets forth Arch + Beam's known connections, if any, with the Debtors, their creditors, and other known parties-in-interest. Arch + Beam will continue to review its files in connection with this Application to make further disclosures as warranted. Additionally, in the ordinary course of its business, Arch + Beam may engage counsel or other professionals in unrelated

matters who now represent, or who may in the future represent, creditors, or other interested parties in this bankruptcy case. No such relationships are related to this bankruptcy case.

15. To the best of Arch + Beam's knowledge, none of the professionals comprising or employed by Arch + Beam are related to any judge of the United States Bankruptcy Court for the Oregon District, the United States Trustee or any person employed in the Office of the United States Trustee.

16. Accordingly, except as may be set forth in the attached Rule 2014 Verified Statement, Arch + Beam believes it is a disinterested person within the meaning of Bankruptcy Code section 101(14).

WHEREFORE, the Committee hereby requests that the Court enter the proposed order, in the form attached hereto as Exhibit A, authorizing the employment of Arch + Beam as financial advisor for the Committee.

DATED: August 12, 2019

OFFICIAL COMMITTEE OF UNSECURED CREDITORS

Cosmos Granite (West), LLC, solely in its capacity as Committee Chairperson and not in its individual capacity

By: /s/ Jaishri Nallapati
Jaishri Nallapati, as Duly-Authorized
Representative of Cosmos Granite (West), LLC

ACCEPTED BY:
ARCH & BEAM GLOBAL, LLC

By: /s/ Matthew English
Matthew English
Senior Managing Director
Phone: 415-839-8488
Email: menglish@arch-beam.com

FILED BY:

LEONARD LAW GROUP LLC

By: /s/ Timothy A. Solomon

Timothy A. Solomon, OSB 072573

Direct: 971.634.0194

Email: tsolomon@LLG-LLC.com

Proposed Counsel for Unsecured Creditors Committee

UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF OREGON

In re

**Wall to Wall Tile & Stone, LLC,
Wall to Wall Tile & Stone – Oregon LLC,
Wall to Wall Tile & Stone – Idaho LLC,**
Joint Debtors.

Lead Case No. 19-32600-dwh11
(Jointly Administered with Case Nos.
19-32599-dwh11 and 19-32603-dwh11)

**ORDER AUTHORIZING EMPLOYMENT
OF ARCH & BEAM GLOBAL, LLC AS
FINANCIAL ADVISOR FOR THE
UNSECURED CREDITORS COMMITTEE**

This matter came before the Court pursuant to the Application by the Official Committee of Unsecured Creditors (the “**Committee**”) to Employ Arch + Beam Global, LLC (“**Arch + Beam**”) as Financial Advisor filed on August 14, 2019 (Docket No. __) (the “**Application**”). Based on the Application and the documents submitted in support thereof, including Arch + Beam’s Verified Rule 2014 Statement, and after due deliberation the Court having determined that the relief requested in the Application is in the best interests of the Joint Debtors’ Estates and their creditors; NOW, THEREFORE, it is ORDERED:

1. The Application is approved. Pursuant to 11 U.S.C. §§ 1103(a) and 328, the Committee is authorized to employ Arch + Beam Global, LLC as financial advisor effective as of

August 7, 2019, to perform the services set forth in the Application, on the terms set forth in the Application; and

2. The compensation of Arch + Beam shall be subject to Court approval in accordance with Sections 330 and 331 of the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure, and the Local Rules of this Court, including procedures established under Local Bankruptcy Rule 2016-1.

#

CERTIFICATION OF COMPLIANCE WITH LBR 9021-1(a)(2)(A)

I certify that I have complied with the requirements of LBR 9021-1(a)(2)(A).

PRESENTED BY:

LEONARD LAW GROUP LLC

[DRAFT/UNSIGNED]

Justin D. Leonard, OSB 033736

Timothy A. Solomon, OSB 072573

Holly C. Hayman, OSB 114146

Proposed Local Counsel for Official Committee of Unsecured Creditors

c: ECF Participants
Interested Parties by US Mail

UNITED STATES BANKRUPTCY COURT
DISTRICT OF OREGON

In re)
Wall to Wall Tile & Stone, LLC) Case No. 19-32600-dwh11
Wall to Wall Tile & Stone-Oregon LLC) **(Lead Case)**
Wall to Wall Tile & Stone-Idaho LLC) RULE 2014 VERIFIED STATEMENT
Debtor(s)) FOR PROPOSED PROFESSIONAL

Note: To file an amended version of this statement per ¶19, file a fully completed amended Rule 2014 statement on LBF #1114 and clearly identify any changes from the previous filed version.

1. The applicant is not a creditor of the debtor except:

N/A

2. The applicant is not an equity security holder of the debtor.

3. The applicant is not a relative of the individual debtor.

4. The applicant is not a relative of a general partner of the debtor (whether the debtor is an individual, corporation, or partnership).

5. The applicant is not a partnership in which the debtor (as an individual, corporation, or partnership) is a general partner.

6. The applicant is not a general partner of the debtor (whether debtor is an individual, corporation, or partnership).

7. The applicant is not a corporation of which the debtor is a director, officer, or person in control.

8. The applicant is not and was not, within two years before the date of the filing of the petition, a director, officer, or employee of the debtor.

9. The applicant is not a person in control of the debtor.

10. The applicant is not a relative of a director, officer or person in control of the debtor.

11. The applicant is not the managing agent of the debtor.

12. The applicant is not and was not an investment banker for any outstanding security of the debtor; has not been, within three years before the date of the filing of the petition, an investment banker for a security of the debtor, or an attorney for such an investment banker in connection with the offer, sale, or issuance of a security of the debtor; and is not and was not, within two years before the date of the filing of the petition, a director, officer, or employee of such an investment banker.

13. The applicant has read 11 U.S.C. §101(14) and §327, and FRBP 2014(a); and the applicant's firm has no connections with the debtor(s), creditors, any party in interest, their respective attorneys and accountants, the United States Trustee, or any person employed in the office of the United States Trustee, or any District of Oregon Bankruptcy Judge, except as follows:

None

14. The applicant has no interest materially adverse to the interest of the estate or of any class of creditors or equity security holders.
15. Describe details of all payments made to you by either the debtor or a third party for any services rendered on the debtor's behalf within a year prior to filing of this case:

None

16. The debtor has the following affiliates (as defined by 11 U.S.C. §101(2)). Please list and explain the relationship between the debtor and the affiliate:

According to the Rule 2014 Verified Statement of Proposed Professional of Tonkon Torp LLP (attorneys for Debtor) (Docket No. 5):

Tyler Kruckenberg is the 100% owner of the Joint Debtors (listed in the caption above), as well as W2W Stone Holdings, LLC (a Washington LLC) and Wall to Wall Install Corp. (a Washington corporation).

17. The applicant is not an affiliate of the debtor.
18. Assuming any affiliate of the debtor is the debtor for purposes of statements 4-13, the statements continue to be true except (list all circumstances under which proposed counsel or counsel's law firm has represented any affiliate during the past 18 months; any position other than legal counsel which proposed counsel holds in either the affiliate, including corporate officer, director, or employee; and any amount owed by the affiliate to proposed counsel or its law firm at the time of filing, and amounts paid within 18 months before filing):

N/A; None

19. The applicant hereby acknowledges that he/she has a duty during the progress of the case to keep the court informed of any change in the statement of facts which appear in this verified statement. In the event that any such changes occur, the applicant immediately shall file with the court an amended verified statement on LBF #1114, with the caption reflecting that it is an amended Rule 2014 statement and any changes clearly identified.

THE FOLLOWING QUESTIONS NEED BE ANSWERED ONLY IF AFFILIATES HAVE BEEN LISTED IN STATEMENT 16.

20. List the name of any affiliate which has ever filed bankruptcy, the filing date, and court where filed:

According to the Rule 2014 Verified Statement of Proposed Professional of Tonkon Torp LLP (attorneys for Debtor) (Docket No. 5):

The Joint Debtors (as listed in the caption above) all filed on July 16, 2019 in this Court.

21. List the names of any affiliates which have guaranteed debt of the debtor or whose debt the debtor has guaranteed. Also include the amount of the guarantee, the date of the guarantee, and whether any security interest was given to secure the guarantee. Only name those guarantees now outstanding or outstanding within the last 18 months:

According to the Rule 2014 Verified Statement of Proposed Professional of Tonkon Torp LLP (attorneys for Debtor) (Docket No. 5):

"Tyler Kruckenberg provided an unsecured guaranty in the amount of \$3,000,000 for the obligations under the Credit Agreement dated 8/21/2018 with Wells Fargo Bank, NA. The balance owed on said Credit Agreement is approximately \$6,563,565.03."

22. List the names of any affiliates which have a debtor-creditor relationship with the debtor. Also include the amount and date of the loan, the amount of any repayments on the loan and the security, if any. Only name those loans now outstanding or paid off within the last 18 months:

According to the Rule 2014 Verified Statement of Proposed Professional of Tonkon Torp LLP (attorneys for Debtor) (Docket No. 5):

"Debtor owes Tyler Kruckenberg (100% owner of Debtor) approximately \$126,000. Debtor owes Wall to Wall Stone Holdings, LLC (100% owned by Tyler Kruckenberg) approximately \$179,439.94."

23. List any security interest in any property granted by the debtor to secure any debts of any affiliate not covered in statements 20 and 21. List any security interest in any property granted by the affiliate to secure any debts of the debtor not covered in statements 21 and 22. Also include the collateral, the date and nature of the security interest, the name of the creditor to whom it was granted, and the current balance of the underlying debt:

See Rule 2014 Verified Statement of Proposed Professional of Tonkon Torp LLP (attorneys for Debtor) (Docket No. 5), summarized as follows: The Joint Debtors are co-borrowers under the following:

- Loan dated 8/21/2018 with Wells Fargo Bank, NA of approx. \$6,563,565, secured by account receivables and other rights to payment, general intangibles, inventory, and equipment.**
- Loan dated 8/30/2018 with Wells Fargo Equipment Finance, Inc. of approx. \$2,364,749, secured by property described in each loan schedule.**
- Loan dated 3/1/2019 with Baffco Enterprises, LLC of \$5,000,000, secured by personal property, general intangibles, accounts, etc., subordinated to Wells Fargo under a 3/1/19 agreement.**

24. List the name of any affiliate who is potentially a "responsible party" for unpaid taxes of the debtor under 26 U.S.C. §6672:

None

I verify that the above statements are true to the extent of my present knowledge and belief.



Applicant

Arch & Beam Global, LLC
as proposed Financial Advisor
for Official Committee of
Unsecured Creditors

CERTIFICATE OF SERVICE

I certify that on the date below, I caused notice of the filing of this **APPLICATION TO EMPLOY ARCH & BEAM GLOBAL, LLC AS FINANCIAL ADVISOR FOR THE UNSECURED CREDITORS COMMITTEE** to be served on interested parties requesting notice through the Court's CM/ECF system, and on the following parties via first class mail:

Tyler Kruckenberg
28700 NE Lewisville Hwy
Battle Ground, WA 98604

ODR Bkcy.
955 Center St NE
Salem, OR 97301-2555

DATED: August 14, 2019

By: /s/ Timothy A. Solomon
Timothy A. Solomon, OSB 072573